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Substantively Consolidated SIPA Liquidation of
Bernard L. Madoff Investment Securities LLC
and the Estate of Bernard L. Madoff*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Adv. Pro. No. 08-01789 (SMB)

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

SIPA LIQUIDATION

(Substantively Consolidated)

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation
of Bernard L. Madoff Investment Securities LLC,

Adv. Pro. No. 09-01172 (SMB)

Plaintiff,

v.

ESTATE OF STANLEY CHAIS, *et al.*,

Defendants.

**STIPULATION AND ORDER FOR VOLUNTARY DISMISSAL
OF DEFENDANTS FROM ADVERSARY PROCEEDING WITH PREJUDICE**

Irving H. Picard (the “Trustee”), as trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa, *et seq.*, and the substantively consolidated estate of Bernard L. Madoff individually and defendants The Estate of Stanley Chais¹; Pamela Chais; Appleby Productions Ltd.; The Appleby Productions Ltd. Defined Contribution Plan; The Appleby Productions Ltd. Money Purchase Plan; The Appleby Productions Ltd. Profit Sharing Plan; Chais Family Foundation; Chais Investments, Ltd.; Chais 1991 Family Trust (“Stanley Chais Defendants”); and The Unicycle Trading Company; Unicycle Corp., individually and as the General Partner of The Unicycle Trading Company; The Unicycle Corporation Money Purchase Plan; Onondaga, Inc., individually and as General Partner of Chais Investments Ltd.; The Onondaga, Inc. Money Purchase Plan; The Onondaga, Inc. Defined Benefit Pension Plan; Chais Management, Inc.; individually and as General Partner of Chais Management Ltd.; Chais Management Ltd.; Chais Venture Holdings; Emily Chasalow; Mark Chais; William Chais; Michael Chasalow; Mirie Chais, Wrenn Chais; 1994 Trust For The Children Of Stanley And Pamela Chais; The 1996 Trust For The Children Of Pamela Chais And Stanley Chais; The 1999 Trust For The Children Of Stanley And Pamela Chais; 1999 Trust For The Grandchildren Of Stanley And Pamela Chais; Emily Chais 1983 Trust; The Emily Chais Trust; The Emily Chais Issue Trust; The Mark Hugh Chais Trust; The Mark Hugh Chais Issue Trust; Mark Hugh Chais 1983 Trust; The William Frederick Chais Trust; The William F. Chais Issue Trust; William Frederick Chais 1983 Trust; William and Wrenn Chais 1994 Family Trust; Ari Chais 1999 Trust; Ari Chais Transferee #1 Trust; Benjamin Paul Chasalow 1999 Trust; The Benjamin Paul Chasalow Transferee #1 Trust;

Chloe Frances Chais 1994 Trust; The Chloe Francis Chais Transferee #1 Trust; The Jonathan Wolf Chais Trust; The Jonathan Chais Transferee #1 Trust; Justin Robert Chasalow 1999 Trust; Justin Robert Chasalow Transferee #1 Trust; Madeline Celia Chais 1992 Trust; The Madeline Chais Transferee #1 Trust; Rachel Allison Chasalow 1999 Trust; Rachel Allison Chasalow Transferee #1 Trust; Tali Chais 1997 Trust; The Tali Chais Transferee #1 Trust (the “Chais Related Defendants” and together with the Stanley Chais Defendants, the “Settling Defendants”), by and through their respective counsel (collectively, the Settling Defendants and the Trustee, the “Parties”), hereby stipulate and agree to the following:

1. On May 1, 2009, the Trustee filed and served a complaint (“Complaint”) against the Settling Defendants, The Brighton Company, The Lambeth Company, The Popham Company and Albert Angel.
2. On September 21, 2009 Michael Chasalow filed a motion to dismiss the Complaint. The Trustee agreed to resolve the motion to dismiss by filing an amended complaint against Michael Chasalow. Since January 18, 2011, Michael Chasalow and the Trustee have stipulated and agreed to give the Trustee leave to file an amended complaint against Michael Chasalow.
3. On November 4, 2009, the Trustee dismissed Albert Angel without prejudice from the above-entitled Adversary Proceeding.
4. On November 12, 2009, the Stanley Chais Defendants served an answer on the Trustee.
5. On November 12, 2009, certain of the Chais Related Defendants filed a motion to dismiss ten of the eleven counts in the Complaint. On February 24, 2010, this Court granted the

¹ The Settling Defendants’ names listed in this stipulation are as pleaded in the Complaint. Attached hereto as Exhibit A to this Stipulation and Order is a list of corrected names for certain Settling Defendants.

motion to dismiss in part, dismissing count 1 of the Complaint and denied the motion as to all of the remaining counts.

6. On November 12, 2009, Miri Chais filed a separate motion to dismiss for lack of personal jurisdiction. On November 30, 2010, this Court denied the motion to dismiss.

7. On April 15, 2011, the Chais Related Defendants served answers on the Trustee.

8. On October 19, 2016, the Parties entered into a settlement agreement (the “Trustee Settlement Agreement”).

9. On October 28, 2016, the Trustee filed a motion under Federal Rule of Bankruptcy Procedure 2002 and 9019 seeking approval of, *inter alia*, the Trustee’s entry into the Trustee Settlement Agreement.

10. On November 18, 2016, this Court entered an order approving the Trustee’s entry into the Trustee Settlement Agreement. (ECF No. 157)

11. In accordance with Federal Rule of Bankruptcy Procedure 7041(a)(1)(ii), and Federal Rule of Civil Procedure 41(a)(1), the Parties hereby stipulate that (i) all of the Trustee’s claims against and causes of action as to the Settling Defendants in the above-captioned adversary proceeding are hereby dismissed with prejudice and (ii) the Settling Defendants are hereby dismissed with prejudice from the above-captioned adversary proceeding. The dismissals set forth herein shall be given the fullest effect consistent with the Trustee Settlement Agreement.

12. Upon the dismissal of the Settling Defendants, the caption of the above-referenced adversary proceeding is hereby amended to delete the Settling Defendants from the caption. The amended caption of the above-captioned adversary proceeding shall appear as indicated in Exhibit B to this Stipulation and Order.

13. The provisions of this Stipulation shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns and upon all creditors and parties of interest.

14. This Stipulation may be signed by the Parties in any number of counterparts, each of which when so signed shall be an original, but all of which shall together constitute one and the same instrument. A signed facsimile, photostatic or electronic copy of this Stipulation shall be deemed an original.

Dated: New York, New York
December 8, 2016

BAKER & HOSTETLER LLP

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Attorneys for the Chais Related Defendants

SO ORDERED

Dated: December 9th, 2016
New York, New York

/s/ STUART M. BERNSTEIN
HONORABLE STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

CORRECTED NAMES FOR CERTAIN SETTLING DEFENDANTS

1. Miri Chais, referred to in the Trustee's Avoidance Complaint as Mirie Chais
2. 1996 Trust For The Children Of Stanley And Pamela Chais, referred to in the Trustee's Complaint as The 1996 Trust For The Children Of Pamela Chais And Stanley Chais
3. BLMIS Account 1C1286, sued in the Trustee's Complaint as The 1999 Trust for the Children of Stanley and Pamela Chais
4. Emily Chais Trust No. 1, referred to in the Trustee's Complaint collectively with Emily Chais Trust No. 2 and Emily Chais Trust No. 3 as The Emily Chais Trust
5. Emily Chais Trust No. 2, referred to in the Trustee's Complaint collectively with Emily Chais Trust No. 1 and Emily Chais Trust No. 3 as The Emily Chais Trust
6. Emily Chais Trust No. 3, referred to in the Trustee's Complaint collectively with Emily Chais Trust No. 1 and Emily Chais Trust No. 2 as The Emily Chais Trust
7. Emily Chais Issue Trust No. 1, referred to in the Trustee's Complaint collectively with Emily Chais Issue Trust No. 2 as The Emily Chais Issue Trust
8. Emily Chais Issue Trust No. 2, referred to in the Trustee's Complaint collectively with Emily Chais Issue Trust No. 1 as The Emily Chais Issue Trust
9. Mark Hugh Chais Trust No. 1, referred to in the Trustee's Complaint collectively with Mark Hugh Chais Trust No. 2 and Mark Hugh Chais Trust No. 3 as The Mark Hugh Chais Trust
10. Mark Hugh Chais Trust No. 2, referred to in the Trustee's Complaint collectively with Mark Hugh Chais Trust No. 1 and Mark Hugh Chais Trust No. 3 as The Mark Hugh Chais Trust
11. Mark Hugh Chais Trust No. 3, referred to in the Trustee's Complaint collectively with Mark Hugh Chais Trust No. 1 and Mark Hugh Chais Trust No. 2 as The Mark Hugh Chais Trust
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13. Mark Hugh Chais Issue Trust No. 2, referred to in the Trustee's Complaint collectively with Mark Hugh Chais Issue Trust No. 2 as The Mark Hugh Chais Issue Trust
14. William Frederick Chais Trust No. 1, referred to in the Trustee's Complaint collectively with William Frederick Chais Trust No. 2 and William Frederick Chais Trust No. 3 as The William Frederick Chais Trust
15. William Frederick Chais Trust No. 2, referred to in the Trustee's Complaint collectively with William Frederick Chais Trust No. 1 and William Frederick Chais Trust No. 3 as The William Frederick Chais Trust
16. William Frederick Chais Trust No. 3, referred to in the Trustee's Complaint collectively with William Frederick Chais Trust No. 1 and William Frederick Chais Trust No. 2 as The William Frederick Chais Trust
17. William F. Chais Issue Trust No. 1, referred to in the Trustee's Complaint collectively with William F. Chais Issue Trust No. 2 as The William F. Chais Issue Trust
18. William F. Chais Issue Trust No. 2, referred to in the Trustee's Complaint collectively with William F. Chais Issue Trust No. 1 as The William F. Chais Issue Trust

19. Ari Chais Transferee Trust No. 1, referred to in the Trustee's Complaint as The Ari Chais Transferee #1 Trust
20. Benjamin Paul Chasalow Transferee Trust No. 1, referred to in the Trustee's Complaint as The Benjamin Paul Chasalow Transferee #1 Trust
21. Chloe Frances Chais Transferee Trust No. 1, referred to in the Trustee's Complaint as The Chloe Francis Chais Transferee #1 Trust
22. Jonathan Wolf Chais 1996 Trust, referred to in the Trustee's Complaint as The Jonathan Wolf Chais Trust
23. Jonathan Chais Transferee Trust No. 1, referred to in the Trustee's Complaint as The Jonathan Chais Transferee #1 Trust
24. Justin Robert Chasalow Transferee Trust No. 1, referred to in the Trustee's Complaint as The Justin Robert Chasalow Transferee #1 Trust
25. Madeline Chais Transferee Trust No. 1, referred to in the Trustee's Complaint as The Madeline Chais Transferee #1 Trust
26. Rachel Allison Chasalow Transferee Trust No. 1, referred to in the Trustee's Complaint as The Rachel Allison Chasalow Transferee #1 Trust
27. Tali Chais Transferee Trust No. 1, referred to in the Trustee's Complaint as The Tali Chais Transferee #1 Trust

EXHIBIT B

AMENDED CASE CAPTION

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IRVING H. PICARD, Trustee for the Liquidation
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Plaintiff,
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THE BRIGHTON COMPANY, THE LAMBETH
COMPANY AND THE POPHAM COMPANY,

Adv. Pro. No. 08-01789 (SMB)

SIPA LIQUIDATION

(Substantively Consolidated)

Adv. Pro. No. 09-01172 (SMB)

Defendant(s).
